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Chairman: Ms. Wensley ..... (Australia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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00-30551 (E)

The meeting was called to order at 3.10 p.m.

Agenda item 125: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*) (A/54/11)

1. **Mr. Niehaus** (Costa Rica) said that the work of the Fifth Committee was essentially technical and financial in nature and that every effort must be made to avoid politicizing it. Costa Rica aligned itself with the statements made on behalf of the Group of 77 and China and on behalf of the Rio Group.

2. The methodology for determining the scale of assessments must conform strictly to the principle of capacity to pay; his delegation could not support any proposed modifications that deviated from that principle. The imposition of a ceiling on contributions had already created a distortion in the scale. Unfortunately, that circumstance had made it necessary to redistribute percentage points to other Member States, thereby increasing the amounts they had to pay. He was not in favour of making any changes to the ad hoc scale for peacekeeping operations, but felt that it should be adopted formally.

3. He supported the efforts of the Committee on Contributions to improve the scale methodology. His delegation supported the use of a six-year base period, which would yield more accurate measurements of the evolution of Member States' economies and would make the scale more stable. The debt-burden adjustment should be retained and should be based on total debt stocks. In its resolution on the scale of assessments, the General Assembly should expressly direct the Committee on Contributions to seek ways of mitigating the effect of the low per capita income adjustment on countries that were just above the threshold. The current methodology for conversion rates should be maintained.

4. The requests of some developing countries for exemption under Article 19 of the Charter should be considered favourably. However, such requests should be submitted in a timely manner to the Committee on Contributions, which was specifically mandated to consider them and to submit recommendations to the General Assembly. His delegation was willing to consider, in the proper framework, the proposed measures to encourage the timely, full and unconditional payment of assessed contributions. However, taking decisions on those proposals in the resolution concerning the scale of assessments would give the false impression that the scale was linked to the payments crisis.

5. **Mr. Lozinsky** (Russian Federation) said that, although the Organization's stability and proper functioning depended primarily on the Member States' fulfilment of their financial obligations, a fair scale of assessments that reflected as closely as possible their real capacity to pay was also necessary to the financial health of the United Nations. More than 50 years of experience had demonstrated the viability of the principle of capacity to pay as the basis for the scale; the difficulties that had arisen in connection with rates of assessment had been caused by deviations from the practical implementation of that principle. The fact that, in recent years, the General Assembly had rid the methodology of a series of factors arising from political and short-term considerations had laid a good foundation for the further improvement of the scale methodology.

6. He agreed with the Committee on Contributions that gross national product (GNP) was the most objective indicator of income. In his delegation's view, the shorter the statistical base period, the more closely the resulting assessment rates would approximate real capacity to pay. He supported the conclusion of the Committee on Contributions that market exchange rates (MERs) should normally be used in income calculations, but welcomed its intention to continue to study alternatives that might be more realistic and scientifically sound than the current method of using MERs. Excessive consideration of the debt-burden adjustment distorted the principle of real capacity to pay because both external debt and debt service were already included in GNP. That adjustment should be based on actual principal repayments rather than on an estimate of the repayment of total debt stocks. The Committee on Contributions should continue its work on the issue with a view to reaching consensus on the approaches to be recommended to the General Assembly.

7. The low per capita income adjustment was fully justified. Currently, decisions on that adjustment, at least in terms of the gradient, were taken on a purely political basis. His delegation therefore supported efforts to ensure that the adjustment was based on objective criteria concerning the economic situation of Member States. The suggestion that the permanent

members of the Security Council should not be eligible for the low per capita income adjustment was an attempt to introduce yet another political element into the methodology. The Committee on Contributions should not discuss that issue, which was the prerogative of the General Assembly. The special responsibility of the permanent members of the Security Council was already reflected in the scale for peacekeeping operations, in which those States had additional financial responsibilities.

8. The ceiling on contributions was unrelated to the concept of capacity to pay, and therefore was not within the competence of the Committee on Contributions; it should be considered directly by the General Assembly. With respect to requests for exemption under Article 19, the time period for the granting of the exemptions recommended by the Committee on Contributions should be limited and any requests for extension should be considered on a case-by-case basis. The Committee on Contributions should take a more careful and balanced approach to such requests. He welcomed that Committee's decision to consider the issue further and hoped that the Fifth Committee could provide positive inputs for those discussions.

9. **Mr. Al-Tunaiji** (United Arab Emirates) said that his delegation supported the statements made by the representative of South Africa on behalf of the Non-Aligned Movement and by the representative of Guyana on behalf of the Group of 77 and China. His delegation also supported the observations of the representative of Jordan concerning peacekeeping operations. His delegation was concerned at the instability and weakness affecting the United Nations and its specialized agencies as a result of the lateness of certain States in meeting their financial obligations. He attached importance to the current negotiations, including the proposals submitted by certain States, on the scale of assessments, and hoped that agreement would be reached on a basis that took into account the essential criteria for the apportionment of expenses and the principles of equity set forth in the Charter of the United Nations. He trusted that a more objective approach would be adopted in dealing with the deteriorating budgetary deficit based on respect by States for their obligation to pay their assessed contributions on time in accordance with the Charter and with established rules and procedures.

10. His country was keen to comply with its financial obligations in full and on time and was committed to capacity to pay as an essential element in the determination of assessed contributions to the regular budget. In that connection account must be taken of the political, economic and development circumstances of States, particularly those whose economy was dependent on a single natural resource, since such circumstances affected capacity to pay.

11. His delegation did not support any individual measures designed to relieve certain States of their financial obligations, or the linkage of such measures with the reform process, or any other attempts to introduce radical changes in the scale of assessments, especially any measures that would impose additional burdens on the developing countries in exchange for reducing the assessments of the developed countries.

12 **Mr. Petrella** (Argentina) said that he fully supported the statements made on behalf of the Group of 77 and China and on behalf of the Rio Group. The application of the various elements of the scale methodology should not result in a departure from the basic principle of capacity to pay. When the most recent scale had been adopted, Argentina had crossed the threshold of world average per capita GNP and, as a result, its rate of assessment had not reflected its real capacity to pay. The Committee on Contributions had considered the effects of discontinuity at its last session and had concluded that the situation, which had affected only Argentina under the most recent scale, was clearly inequitable and that remedial measures should be considered. In a single year, Argentina's assessed contribution to the regular budget had nearly doubled and, from one scale to the next, had increased by more than 230 per cent. Consequently, in the year 2000, Argentina's contribution to the regular budget would exceed those of two of the permanent members of the Security Council. Argentina fully agreed with the Committee on Contributions that the General Assembly should consider changing the scale methodology to eliminate or mitigate the effects of discontinuity. Accordingly, it could not support a number of elements of the methodology that did not take that situation into account.

13. His delegation supported the use of a constant nine-year base period to lend greater stability to the scale of assessments. With respect to the ceiling, capacity to pay must remain the guiding principle; however, to facilitate the negotiations on the scale, his

delegation was willing to maintain the current ceiling level. Argentina recognized that the Organization's financial crisis had resulted from the non-payment of assessed contributions and made every effort to pay its contributions in full and on time. However, its efforts had been hampered by the assignment to Argentina of a contribution level that exceeded its capacity to pay and by economic difficulties resulting from the international financial crisis, including a heavy debt burden, internal adjustments and budget cuts.

14. **Mr. Bouah-Kamon** (Côte d'Ivoire) said that his delegation associated itself with the statement made on behalf of the Group of 77 and China. The principle of capacity to pay, together with other parameters, remained the basis for equity in the apportionment of the Organization's expenses. Although GNP did not provide a complete picture of a country's socio-economic situation, its availability and comparability made it a useful approximation of the capacity to pay. While a three-year base period might ensure better correlation between the most recent statistical data and the capacity to pay, the current six-year base period would give the scale a more stable and reliable financial foundation and should therefore be retained.

15. The debt-burden adjustment was particularly important to the African countries, which, for over a decade, had faced the challenge of trying to make principal repayments while also bearing the burden of debt service and interest in the midst of an unprecedented economic crisis. Most of the heavily indebted poor countries were located in sub-Saharan Africa. Their plight had been worsened by the continual decline in commodity prices. Accordingly, any attempt to ignore that reality in the calculation of assessed contributions must be resisted, and the developing countries must continue to benefit from the debt-burden adjustment.

16. Despite its scant resources, Côte d'Ivoire honoured its financial obligations towards the United Nations. The conclusion of the work of the working group of experts on the principle of capacity to pay and the limited results achieved by the High-level Open-ended Working Group on the Financial Situation of the United Nations, which had been established at the initiative of Côte d'Ivoire, showed that the problem was extremely complex and highly political and that its solution required real political will on the part of Member States. A distinction must be made between the Organization's financial crisis, which was almost entirely due to the major contributor's failure to honour its obligations, and the introduction of necessary adjustments to the scale of assessments. Lastly, although his delegation was flexible on the issue of lowering the ceiling, the points to be redistributed should in no case be assigned to the African countries.

17. **Ms. Omer Beshir** (Sudan) said that her delegation supported the statements made by the representative of Guyana, on behalf of the Group of 77 and China, and by the representative of South Africa, on behalf of the Non-Aligned Movement. Her delegation agreed that capacity to pay should remain the basis for determining assessments and that account should be taken of the debt burden of the developing countries in determining capacity to pay.

18. The criteria for determining assessments were not a problem in themselves as long as the Member States had the political will to commit themselves to the principles and purposes of the United Nations. Her delegation regretted the deteriorating financial situation of the Organization — it could have been avoided, or its impact could at least have been mitigated, if the State with the largest debt to the Organization had displayed a measure of responsibility and a sense of duty proportionate to its rights and prestige within the Organization. Opportunities for appointments and procurement contracts for Member States should be linked to their commitment to paying their assessed contributions.

19. **Mr. Akinsanya** (Nigeria) said that his delegation endorsed the views expressed by the Guyanese delegation on behalf of the Group of 77 and China. The Committee on Contributions did not require any guidance from the General Assembly to fulfil its statutory responsibility as an expert advisory body. In reviewing all aspects of the scale methodology, it should not lose sight of the principle of capacity to pay and should ensure equitable treatment of developing countries, particularly those in Africa, that were experiencing economic difficulties. The low per capita income adjustment should be retained in order to provide relief and incentives to developing countries, and the gradient should be increased from 80 per cent and set as high as possible. The debt-burden adjustment should also be retained. Income measures should be based on GNP, and MERs should normally be used for the purposes of the scale. A six-year base period should be adopted on a permanent basis. He shared the views expressed on behalf of the Group of 77 and China at

the Fifth Committee's 8th meeting with respect to the maintenance of the minimum assessment rate at 0.001 per cent for the period 2001-2003, the need to review the question of the ceiling and the inappropriateness of pursuing the proposal for the annual recalculation of the scale.

20. The tightening of the application of Article 19 of the Charter would not only encourage the timely, full and unconditional payment of assessed contributions, but would also reduce the amount of outstanding contributions and would give the payment status of Member States much greater operational significance. The Committee on Contributions should expedite its review of all aspects of the application of Article 19, and the Fifth Committee should adopt measures to streamline the consideration of requests for exemption under that Article.

21. As a country that contributed troops to United Nations peacekeeping operations, Nigeria was concerned to note that, owing to unpaid peacekeeping assessments, the Organization had been unable to pay the full amount of reimbursements of troop, equipment and other costs incurred by Member States participating in peacekeeping operations. Those States should be fully reimbursed as soon as possible, and consideration should be given to making priority payment to countries that were current with their obligations. That would provide an incentive for countries to contribute to peacekeeping operations.

22. **Mr. Takahara** (Japan) said that the current scale methodology should be reviewed to ensure greater equity in the collective responsibility of Member States for the funding of the Organization's expenses. Japanese taxpayers increasingly questioned the fairness of a situation in which Japan was expected to pay an assessed contribution that exceeded the sum of the contributions made by the four permanent members of the Security Council, not including the United States. In his delegation's view, the financial contribution of the permanent members of the Security Council was no longer commensurate with their special responsibilities under the Charter. Indeed, the total share of the scale of assessments borne by the permanent members of the Council had fallen over the years from 70 per cent to the current 40 per cent.

23. A further question was whether the current methodology and parameters of the scale accurately reflected the real capacity to pay of Member States. Despite the fact that Japan's share of world gross national product (GNP) was approximately 17 per cent, its share of the scale would reach 20.573 per cent in 2000. Under those circumstances, it would be difficult to obtain public support for a reduction in the ceiling which would entail a further increase in Japan's rate of assessment.

24. Turning to the report of the Committee on Contributions (A/54/11), he said that all Member States should facilitate the Committee's work by providing complete and reliable statistics which could be easily compared with statistics from other countries. Comparable national income data, however, were affected by the choice of conversion rates. The Committee should therefore study the issue of conversion rates at its next session in order to more accurately determine capacity to pay.

25. With regard to the other elements of the scale methodology, given the divergence of views on the base period, that issue should be considered in conjunction with other elements of the scale. The low per capita income adjustment should be retained to provide relief to low per capita income countries, although the current formula seemed to favour disproportionately a limited number of developing countries with larger economies. In order to achieve an equitable sharing of financial responsibility, the gradient used for the low per capita income adjustment should be lowered or "sliding gradients" based on share of world GNP introduced. Steps such as not applying the low per capita income adjustment to the permanent members of the Security Council should also be taken to ensure that the financial contribution of those members was proportionate to the status which they enjoyed in the Organization.

26. Concerning the application of Article 19 of the Charter, the granting of an exemption under Article 19 must be regarded as a strictly exceptional measure limited to Member States whose failure to pay was due to conditions beyond their control. Member States seeking exemptions should make payments to reduce their arrears, even during the period of such exemptions. His delegation was concerned at the trend towards extending exemptions for long periods of time and at the tendency of some Member States to make the minimum payment simply to retain the right to vote or to regain it by the end of the year. Lastly, in the application of Article 19, the advisory role which the Committee on Contributions was expected to play

under rule 160 of the rules of procedure of the General Assembly must be respected.

27. **Mr. Kelapile** (Botswana) said that his delegation associated itself with the statements made at the Committee's 8th meeting on behalf of the Group of 77 and China and the Non-Aligned Movement. The expenses of the United Nations should continue to be apportioned in accordance with the principle of capacity to pay and, once fixed, the scale of assessments should not be arbitrarily revised unless the General Assembly was convinced that there had been substantial changes in the relative capacity to pay of Member States. The determination as to whether a Member State's capacity to pay had changed was a purely technical exercise that required the technical advice of the Committee on Contributions rather than recourse to hasty political judgements.

28. It was therefore unfortunate that the Committee on Contributions had been unable to reach agreement on some crucial elements of future scales of assessments. In the view of his delegation, the Committee's failure to provide to the General Assembly a consolidated set of recommendations on the scale methodology was partly due to political impediments. Member States should provide the Committee with more reliable, verifiable and comparable data and should respect the independent status of the Committee.

29. The politicization of budgetary matters was a very dangerous development. Indeed, the continued illegal withholding of payments by some Member States and not the alleged imperfections in the scale methodology was the root cause of the Organization's current financial crisis. It would be contradictory for Member States that recognized elsewhere the need to address the issue of the already heavy socio-economic burden endured by the developing countries, to adopt a scale of assessments that would worsen the situation. Most Members of the Organization supported the retention of the principle of capacity to pay as the fundamental criterion for the apportionment of the expenses of the United Nations. In that connection, such elements of the scale as GNP, a floor rate of 0.001 per cent and the debt-burden and low per capita income adjustments remained crucial to the objective determination of capacity to pay.

30. **Mr. Nakkari** (Syrian Arab Republic) said that his delegation supported the statement made by the representative of Guyana on behalf of the Group of 77 and China. What was required in order to ensure sound and stable finances for the Organization was not a revision of the scale of assessments but the payment of arrears and particularly the payment by the major contributor of its assessed contributions. Any revision of the scale should under no circumstances entail an increase in the assessments of Member States.

31. His delegation agreed with the Committee on Contributions on the use of gross national product, but debt-burden adjustment must remain a major factor in the reduction of contributions, especially for the heavily indebted developing and the least developed countries. He also agreed with the Committee on Contributions on the adoption of a base period of six years so as to better reflect the actual economic situation of States.

32. His delegation supported the position of the Group of 77 and China that the maximum assessment rate for contributions should not be reduced and considered that a new calculation of the scale of assessments was not practical, as the Committee on Contributions had stated.

33. His delegation objected to the increase in the contribution of his country in both the previous and the current scales of assessment, particularly as its economic situation had not improved in a manner that would justify such increases. It was illogical for the contributions of certain developed countries to be reduced at the expense of those of certain developing countries, including his own. He emphasized the need to respect the principle of capacity to pay, together with that of fairness, and to take into account the special circumstances of countries under occupation, including his own.

34. His country had always made its annual payments to the regular budget and, as far as peacekeeping operations were concerned, had a six-year annual plan under which it had so far paid three instalments. The current system for financing peacekeeping operations should be retained; the permanent members of the Security Council had greater obligations in that regard.

35. **Mr. Nejad Hosseinian** (Islamic Republic of Iran) said that the debt stock approach should continue to be used for the inclusion of the debt-burden adjustment in the scale methodology. The Fifth Committee should seek a consensual solution to the issue of the base

period, given the divergent views which had been expressed.

36. On the issue of conversion rates, his delegation shared the view that market exchange rates (MERs) should be used for the purposes of the scale, except where that would cause excessive fluctuations or distortions in the income of some Member States, in which case other appropriate conversion rates, such as weighted average rates, should be employed.

37. The level of the gradient, which determined the size of the low per capita income adjustment, should be increased from the current 80 per cent. Any review of the scale methodology, however, should exclude consideration of the current ceiling of 25 per cent, which was already a departure from the fundamental principle of capacity to pay. His delegation was of the view that, given the procedural and practical questions which it raised, the proposal for annual recalculation of the scale lacked sufficient merit to be given further consideration by the Committee on Contributions.

38. With regard to the procedural aspects of the consideration of requests for exemption under Article 19 of the Charter, due recognition must be given to the complementary roles of the General Assembly and the Committee on Contributions. There was also need for equitable and non-discriminatory treatment in considering requests by Member States for exemptions under Article 19.

39. **Mr. McKenzie** (Trinidad and Tobago) said that his delegation supported the principle of capacity to pay as the fundamental criterion for the apportionment of the expenses of the Organization. It also supported the principle of an adjustment for Member States with low per capita incomes. Special consideration should be given to mitigating the effects of discontinuity on those developing countries that were moving up through the low per capita income threshold between scale periods and those that were just above the threshold.

40. Gross national product should be used as the measurement of income and the debt stock approach should be used to determine the debt-burden adjustment. With regard to conversion rates, market exchange rates should be used, except in cases where excessive fluctuations or multiple exchange rates complicated international comparison. The maximum assessment rate should not obscure a country's capacity to pay and therefore should not be lowered any further; the floor rate should be maintained at 0.001 per cent. His delegation did not support the proposal for annual recalculation of the scale.

41. Revision of the scale methodology would not, however, resolve the Organization's financial crisis. All Member States, except those experiencing extreme economic distress, should honour their obligations under the Charter by settling their arrears and paying their contributions in full, on time and without conditions.

42. **Mr. Christian** (Ghana) said that his delegation accepted the recommendation of the Committee on Contributions that future scales of assessments should be based on estimates of GNP, which was conceptually superior to GDP as a first approximation of capacity to pay. The length of the base period, however, should reflect changes in the economic development of Member States while at the same time ensuring stability in the scale. The current period of six years therefore seemed an acceptable compromise.

43. Given the adverse impact of the heavy debt burden on the socio-economic development and consequently the capacity to pay of many developing countries, the debt-burden adjustment should be retained as an element in determining the capacity to pay of Member States. The minimum assessment rate should also be maintained at 0.001 per cent for the period 2001-2003. In establishing the ceilings for the period 2001-2003, the relation between a Member State's contribution and its capacity to pay should not be obscured.

44. The low per capita income adjustment should continue to be an integral part of the scale methodology and the level of the gradient revised upwards in order to ensure that the scale was fair and equitable. The problem of discontinuity experienced by Member States moving up through the low per capita income threshold between scale periods and by those just above the threshold also needed to be addressed and remedial measures taken.

45. With regard to the procedural aspects of the consideration of requests for exemption under Article 19 of the Charter, Ghana accepted the need for sympathetic consideration of requests from Member States whose genuine economic difficulties prevented them from honouring their financial commitments to the United Nations. It should be possible for the Committee on Contributions to deliberate on such

requests for exemption under Article 19 in a timely manner and make available its technical advice to the General Assembly to assist the Assembly in making an informed judgement. Member States intending to request an exemption under Article 19 should provide the fullest possible information to the Committee on Contributions prior to its regular session.

46. The United Nations needed resources to implement mandated activities, but continued to face critical cash flow problems created solely by the refusal of some Member States to honour their financial obligations in full and on time. The practice of paying just enough outstanding contributions to keep Member States from losing the right to vote under Article 19 must also be discouraged. The Committee on Contributions should therefore continue to examine the issue of additional sanctions against Member States in arrears and make appropriate recommendations as early as possible to the General Assembly.

47. **Mr. Yel'chenko** (Ukraine) said that his delegation hoped that the negotiations on the scale of assessments for the apportionment of the expenses of the United Nations would lay down solid foundations for the further updating of the methodological elements of the scale so as to make it more transparent, equitable and reliable and better able to reflect actual capacity to pay. However, it was clear from the report of the Committee on Contributions (A/54/11) that a number of complex problems with regard to some elements of the scale methodology remained to be settled.

48. His delegation supported the recommendation of the Committee on Contributions that future scales of assessments should be based on estimates of gross national product (GNP). Although his delegation had previously insisted that a short three-year base period would more accurately reflect the current capacity of Member States to pay, and although there had been substantial overassessment of his country, in particular, as a result of the application of long base periods in former scales, it was able to support the establishment of a six-year base period for the next scale of assessments in conjunction with annual recalculation and looked to the Fifth Committee to give clear guidance on the issue of annual recalculations of the scale.

49. The effects of conversion rates on GNP recalculations should be carefully studied and the feasibility of applying price-adjusted rates of exchange, where the use of market exchange rates might create distortions, deserved thorough consideration by the Committee on Contributions. If the debt-burden adjustment were preserved in the next scale, it should be based on actual principal repayments.

50. It was clear that opinion was divided in the Committee on Contributions concerning the modalities for application of the low per capita income adjustment formula, in particular with regard to the problem of discontinuity. His country was ready to support a further reduction in the gradient low in the next scale; that issue should be addressed as a matter of priority by the Committee on Contributions.

51. His delegation was in favour of establishing the floor rate at 0.001 per cent and the ceiling rate for the least developed countries at 0.01 per cent and of entirely phasing out the effects of the scheme of limits in the next scale.

52. Finally, a new element should be incorporated in the scale methodology to ensure that the rates of assessment of Member States did not become excessively disproportionate to their share of world GNP. In the view of his delegation such disproportionality should not exceed 50-75 per cent.

53. His delegation attached great importance to the formulation of the scale of assessments and firmly believed that a scale that fully reflected actual capacity to pay, and that thus fairly apportioned the Organization's expenses, would contribute significantly to improving the financial situation of the United Nations and would enable the vast majority of Member States to pay their assessed contributions in full, on time and without conditions.

54. Although his country was in arrears with its contributions, it remained committed to its financial obligations under the Charter and continued to make a substantial financial contribution to the Organization in spite of its economic difficulties. It had fully paid off its arrears to the regular budget and was committed to the gradual elimination of its peacekeeping debts. For economic reasons, however, it was unable to pay off all those arrears at one time as the country's capacity to pay had been overassessed owing to irregularities in the scale of assessments, primarily as a result of a decision taken at the forty-seventh session of the General Assembly, as General Assembly decision 49/470 had formally recognized. In his delegation's view, the next logical step should be for the General

Assembly to adopt a special decision to solve his country's debt problem, in particular by transferring the relevant part of his country's arrears to the special account. His delegation would make concrete proposals on that matter under the appropriate agenda item and hoped that the problem of his country's indebtedness would be resolved fairly by the General Assembly at its current session.

55. Referring to the issue of the rules and procedures for the application of Article 19 of the Charter and the proposed measures for tightening the application of that Article, he said that his delegation considered that the revision of the rules and procedures, in particular by introducing the net-net formula for calculations and by applying Article 19 twice a year, would entail not only a complete departure from the current rules for the assessment of Member States' contributions to the United Nations but would also have far-reaching political consequences which would affect the functioning of the entire United Nations system. His delegation also believed that, before raising the issue of tightening the application of Article 19, it was necessary to work out a transparent and effective mechanism for consideration of requests from Member States for exemptions from its application which would take into account not only the political, economic and financial situation of the States concerned but also the relationship between their respective rates of assessment and their capacity to pay. For that reason his delegation considered that proposals for tightening the procedures for the application of Article 19 should not be brought into effect until 2001 and that the General Assembly should not take any action on those proposals until the Committee on Contributions had delivered its technical judgement thereon.

56. **Mr. Muchetwa** (Zimbabwe) said that his delegation fully associated itself with the statements made previously by the representatives of Guyana, on behalf of the Group of 77 and China, and of South Africa, on behalf of the Non-Aligned Movement.

57. He appealed to Member States to take seriously their replies to the United Nations National Accounts Questionnaire since that was the basic means of providing the Committee on Contributions with data relevant to capacity to pay. That Committee, as a body of independent experts, should be allowed to exercise its discretion in determining capacity to pay and in advising the General Assembly on the scale of methodology.

58. Although the political nature of the current proposals on the ceiling on contributions should be recognized, it was important not to lose sight of the decision by the General Assembly contained in the original terms of reference of the Committee on Contributions that the ceiling should not be such as to seriously obscure the relation between a nation's contribution and its capacity to pay.

59. The problem of external debt posed a major financial and fiscal challenge for most developing countries which impacted negatively on their capacity to pay, particularly when foreign exchange was involved. It was therefore crucial that the element of debt-burden adjustment should be maintained in the scale methodology.

60. The requirement in the terms of reference of the Committee on Contributions that, once a scale had been fixed by the General Assembly, it should not be subjected to a general revision for at least three years unless there were substantive changes in relative capacities to pay was a wise one. In that connection his delegation considered that the idea of annual recalculation of the scale might turn out to be very disruptive and might lead to a situation where the scale of assessments dominated the agenda of the Fifth Committee.

61. His delegation agreed with the Committee on Contributions that market exchange rates should be used for the purposes of the scale except where that would cause excessive fluctuations or distortions in the income calculations of some Member States. The Committee on Contributions might, however, wish to explore the feasibility of establishing parameters for identifying and assessing such exceptional cases. His delegation was pleased at the conclusion of the Committee on Contributions that the base period should be a multiple of the scale period but was unhappy with the way certain exemptions under Article 19 of the Charter had been handled by the Assembly at its fifty-third session without prior consideration by the Committee on Contributions. His delegation hoped that overdue cases would be considered by the General Assembly on the basis of advice from the Committee on Contributions.

62. **Mr. Pozzo** (Venezuela) said that his delegation's position had already been outlined by the speakers on behalf of the Group of 77 and China, the Rio Group, and the Non-Aligned Movement. It was important that

the scale methodology should be transparent and reliable and should reflect the capacity to pay of Member States. It would be impracticable to make an annual recalculation of the scale of assessments — such a measure might create uncertainty that would result in inaccurate budget forecasts in Member States and might give rise to even greater arrears of contributions to the Organization. Revisions of the scale period should be such as not to create additional difficulties for the developing countries.

63. With respect to the base period for calculation, his delegation considered that the stability of the scale was less important than the realistic assessment of national economies circumstances. It was important for the length of the base period to be such as to ensure that economies in difficulties did not subsidize economies experiencing expansion and growth and for it to reflect the actual situation faced by particular economies.

64. Debt burden should continue to be a particularly important parameter in assessment of capacity to pay. It was internationally recognized that the problem of debt continued to affect growth and development and warranted special international cooperation.

65. Referring to application of Article 19 of the Charter, he said that it was important to bear in mind the efforts made by the Governments of developing countries to meet their financial obligations to the United Nations. His own country was going through a period of adjustment designed to enable it to meet its external obligations and to address its domestic social crisis. In spite of that, his Government was taking steps to meet its obligations to the Organization. The same difficulties were being faced by many other countries and the present wording of Article 19 allowed enough scope to address such difficulties. Another separate problem was that of the politicization of contributions, particularly when it affected the Organization's capacity to fulfil its responsibilities. That was a matter that might usefully be addressed by the Committee on Contributions.

66. **Ms. Zonicle** (Bahamas) said that her country had joined the consensus in the Group of 77 and China, and in the Non-Aligned Movement, with respect to the scale of assessments. Her delegation wished, however, to recall certain global considerations which needed to be borne in mind in order to avoid an impasse in the consultations on the scale.

67. The law of the United Nations concerning the scale of assessments for the apportionment of its expenses was set out in Article 4, paragraph 1, of the Charter, relating to the ability and willingness of States to carry out their obligations under the Charter, together with Article 19 of the Charter, which specified the procedure to be followed where a Member was unable to pay owing to conditions beyond its control.

68. The Committee on Contributions had interpreted those provisions in terms which highlighted the criteria of stability, simplicity, transparency, reliability, verifiability, comparability and real capacity to pay.

69. The use of other criteria to determine the scale methodology unnecessarily complicated and politicized the methodology and put Member States at an unfair advantage or disadvantage. Those other criteria concerned such considerations as the length of the base period, the application of the low per capita income adjustment and the scheme of limits, which was to be phased out during the current scale period. Such considerations resulted in unnecessarily polarized and unduly long hours of informal negotiations in the Fifth Committee. If the Member States fully respected the criteria of the scale, refinements to it would be the exception rather than the rule and would be limited to objective considerations of equity such as the assessment of non-member States.

70. Her delegation hoped that, beginning with the current session of the General Assembly, the scale would cease to function as an indicator of ambivalence towards the value of the United Nations and would become instead an indicator of responsiveness to the true relevance that the United Nations had for each Member State.

71. **Mr. Etuket** (Chairman of the Committee on Contributions) said that the representative of the Syrian Arab Republic had questioned the rationale for the increase in his country's assessment and had raised the same point in the Committee on Contributions. He explained that the Syrian Arab Republic had been a beneficiary of the scheme of limits. Consequent upon the General Assembly's decision to phase out the scheme of limits and, in particular, the elimination of the remaining 50 per cent of the effects of the scheme during the period 1998-2000, an increase in the assessments for the Syrian Arab Republic and for a number of other countries that had also benefited from

the application of the scheme of limits had been inevitable.

72. On behalf of the members of the Committee on Contributions, he said that the continuing support of the Fifth Committee was greatly appreciated. He had taken good note of the disappointment at the fact that the Committee on Contributions had been unable to make recommendations on all elements of the methodology for the preparation of the next scale of assessments. He and the members of the Committee on Contributions shared that disappointment, but the diversity of views expressed in the Fifth Committee underlined the difficulty of achieving consensus on some of the issues.

73. He had noted the views expressed on the scale methodology, and particularly the fact that there was broad consensus on reaffirmation of capacity to pay as a fundamental criterion for the apportionment of the expenses of the United Nations. However, it had also been evident from the debate that the definition of capacity to pay was itself an issue, together with the related question of what constituted an equitable scale. It might therefore be necessary for the Fifth Committee, in embarking on the next phase of its consideration of the item on the scale of assessments, to agree on an unambiguous understanding of that concept so as to arrive at a decision on the parameters to be used in preparing the next scale of assessments. He agreed with those delegations that had emphasized how important it was for the Fifth Committee to recommend to the General Assembly a decision on a specific and clear set of parameters to be used by the Committee on Contributions.

74. It was also important for the decision on the elements of the next scale to be reached before the end of the main part of the current session of the General Assembly in view of the time needed to prepare the session of the Committee on Contributions in a scale year.

75. He had also taken note of the views expressed on the application of Article 19 of the Charter. The members of the Committee on Contributions took very seriously their responsibilities under the rules of procedure of the General Assembly. In that connection the Committee had taken steps to strengthen the process of review so as to ensure a full, fair and consistent approach to all requests. He counted on the support of the Fifth Committee and Member States in order to achieve that result.

76. With respect to the possible tightening of the application of Article 19, he had taken note of the views expressed during the current debate; the members of the Committee on Contributions looked forward to guidance from the General Assembly on any further work that it might undertake in that connection. He had similarly taken note of the views expressed on the various measures discussed in the report of the Committee on Contributions to encourage the timely, full and unconditional payment of assessed contributions; the Committee was ready to proceed with any further study of that matter that might be mandated by the General Assembly.

77. As a possible way forward in consideration of the item, he suggested that the Fifth Committee might wish to consider the merits of his earlier suggestion of using areas that had been agreed on by the Committee on Contributions as a starting point for building consensus on the draft decision to be submitted to the General Assembly, and of focusing primary attention on those areas that he had identified, in his introductory remarks, as outstanding. Some of those areas required specific policy guidance before the Committee on Contributions could consider them further. Some of them transcended technical considerations and required specific action by the Fifth Committee. In spite of the evident problems, he was confident that the Fifth Committee would give the General Assembly a recommendation on the policy guidance that the Committee on Contributions would need in preparing a scale of assessments for the period 2001-2003 that would help to provide a solid financial basis for the United Nations.

Agenda item 124: Pattern of conferences *(continued)*
(A/53/833 and A/53/919 and Add. 1 and 2; A/54/7, A/54/32, A/54/176, A/54/208, A/54/221 and A/54/262)

78. **Mr. Burton** (Canada), speaking on behalf of Australia, New Zealand and Canada, said that the recommendations of the Committee on Conferences would help the Organization to perform its mandated functions as cost-effectively as possible, and the three delegations looked forward to adopting the ones offering the most potential for improvement in a concise resolution. They also looked forward to the completion of the consultations between the Chairman of the Committee on Conferences and the chairmen of

bodies which consistently underutilized their conference resources, and noted the responsibility of the budgetary and administrative bodies to use resources wisely, achieving at least the benchmark level in the case of conference services.

79. The Fifth Committee should focus on whether, rather than how, the Organization's responsibilities were being discharged. In his statement before the Committee the Secretary-General had underlined the importance of leaving the details of management to the Organization's managers. The Committee should resist the temptation of providing the Secretariat with superfluous instructions on the pattern of conferences. With regard to interpretation, for example, the focus should be on whether the Organization's needs were being met cost-effectively rather than on whether they were being met by using full-time or part-time interpreters.

80. **Mr. Lozinsky** (Russian Federation) said that in general terms his delegation supported the conclusions and recommendations of the Committee on Conferences. The need for optimum use of conference resources was indisputable and required constant efforts on the part of the Secretariat and the Member States. Everything must be done to improve the coordination of conference activities, and his delegation appreciated the coordinating role played by the Committee on the Conference.

81. The fact that the utilization factor had exceeded the benchmark in 1998 was welcome, and it was to be hoped that further improvements would be achieved. His delegation therefore supported the Committee's recommendations contained in paragraphs 23-27 of its report. He regretted the fact that 17 per cent of the requests for interpretation for group meetings had not been met, but there was no doubt that meetings of sessional bodies must receive priority.

82. The chronic problem of the late issuance of documents remained worrying; the time had come for concrete measures to solve it. However, his delegation would be very wary of revoking the six-week rule. Of course, it was not always possible to comply with the rule, but it was often violated for invalid reasons. The proposal to include in documents a footnote explaining any delay was therefore welcome.

83. Efforts to rationalize the use of resources must be accompanied by flexibility on the part of the Member States. His delegation had always stressed that any measures taken to reduce documentation and rationalize conference servicing should be non-discriminatory and not impair the principle of the equality of the official languages.

84. His delegation noted with satisfaction that the Secretariat had taken action, in accordance with paragraph 11 of resolution 53/208 A, to avoid the scheduling of meetings on Orthodox Good Friday, which fell on 28 April in 2000. However, a number of bodies were not complying with the resolution. For example, it was proposed that the eighth session of the Commission on Sustainable Development should be held from 24 April to 5 May 2000. That was unacceptable. The Secretariat should carefully monitor implementation of the resolution.

85. **Mr. Herrera** (Mexico), speaking on behalf of the Rio Group, said that the members of the Group reiterated their profound gratitude to everyone involved in the provision of conference services. They noted with satisfaction that the 80 per cent benchmark had generally been exceeded in 1998, although not yet in New York. It was worrying that only 56 per cent of bodies had used 80 per cent or more of their conference services. The Chairman of the Committee on Conferences should therefore continue his consultations with the chairmen of the bodies which were underusing resources. It was a matter of satisfaction that 83 per cent of requests for interpretation and 100 per cent of requests for facilities only for group meetings had been met. The Secretariat should intensify its efforts in that area. The members of the Rio Group were aware that it was the responsibility of States and regional groups to make effective use of the services provided.

86. While some flexibility of approach was needed, the late issuance of documents remained worrying; the six-week rule must be complied with. Another worrying practice was the excessive use of self-revision, which often led to mistakes in translation and the additional costs of correcting them.

87. The introduction of new technologies such as remote interpretation, computer-assisted translation and video-conferencing was a positive move. The Secretariat should continue its experiments in those areas. It was a matter of great concern to the Rio Group that the budget for the Department of General Assembly Affairs and Conference Services for the next biennium showed a net reduction of 0.8 per cent; it was

not clear that the budget estimates bore a realistic relation to forecast needs, anticipated productivity increases and the required improvements in services. Regardless of other considerations, it was vital to allocate sufficient funds for the provision of conference services.

88. **Mr. Christian** (Ghana) said that his delegation associated itself with the statement made previously by the representative of Guyana on behalf of the Group of 77 and China. It noted the consultations between the Committee on Conferences and the chairmen of bodies which consistently underutilized their conference services and urged the Committee to produce workable solutions to the problem.

89. The Secretariat must continue its efforts to secure equal treatment of the six official languages on the United Nations web sites, and should state the full cost of the three proposals which it had made in that area so as to facilitate decisions by the Committee on Conferences and the Committee on Information.

90. His delegation commended the Secretariat for its efforts to correct the problems with the optical disk system in Vienna. An overhaul of the whole system would help to guarantee access for the increasing number of users.

91. It noted that the Department attributed the reasons for the persistent problem of late issuance of documents to other departments. The advantages of the timely issuance of documents were obvious, and all involved must endeavour to comply with the six-week rule.

92. The improvement in the overall utilization rate of conference facilities at Nairobi was encouraging, although the total number of meetings was still small. The Secretariat should implement the recommendation of the Committee on Conferences for closer cooperation between Nairobi and the Department and seek to persuade non-United Nations bodies to use the Nairobi facilities. In addition, the Committee on Conferences should give further consideration to holding a session in Nairobi, thus setting a good example. The Secretary-General had reported that the current calendar of meetings in Nairobi did not justify the cost of establishing a permanent interpretation service and that such a move would not be immediately cost-effective. The matter should, however, be given further consideration: the Secretariat should look in particular at the income which might accrue to the regular budget from the use of such an interpretation service by extrabudgetary or non-United Nations bodies.

93. **Mr. Zahid** (Morocco) said that his delegation associated itself fully with the statement made previously on behalf of the Group of 77 and China.

94. More rigorous application of resolution 40/243 would help to correct the anomalies in some headquarters cities with respect to the utilization of conference services. Derogations from the headquarters rule should be granted only on an exceptional basis. Increasing dependence on technological progress had the apparent attraction of reducing costs, but the Organization must consider the issues very carefully before committing itself irreversibly to technological options. His delegation appreciated the Secretariat's honesty in acknowledging difficulties in that area.

95. The Committee on Conferences had itself noted the persisting difficulties with remote interpretation. His delegation supported the use of remote interpretation, but it must not serve as a means of reducing the already insufficient numbers of language staff. The late issuance of documents remained a problem, particularly for small delegations, and it was largely responsible for the underutilization of conference services. His delegation therefore supported the recommendation that documents should state the reasons for late issuance.

96. The lack of career prospects for language staff caused the best staff members to leave the Organization, and the others would not stay unless they felt that they were being offered better prospects.

97. Frustrating difficulties were often encountered in accessing documents stored in the optical disk system.

98. His delegation would like the Secretariat to explain why admission to the forthcoming examination for Arabic interpreters had been limited to interpreters working into English, as stipulated in paragraph 4 of document ST/IC/1999/70. In the past, candidates had always had to have a perfect knowledge, in addition to Arabic, of either English or French. He could not understand why that practice had been changed.

99. **Mr. Van der Velde** (Chairman of the Committee on Conferences) said that he was grateful for the many expressions of appreciation and support for the Committee's work, which he hoped provided a useful basis for the deliberations in the Fifth Committee with

a view to the adoption of a consensus resolution on the item. He had taken due note of the request made by several delegations that he should continue his consultations with the chairmen of bodies which consistently underused conference services; he hoped to conclude his consultations with the one remaining chairman very soon.

100. **Mr. Jin Yongjian** (Under-Secretary-General for General Assembly Affairs and Conference Services) said that he, too, was grateful for the Committee's expressions of support for his Department's work. He and his colleagues were always aware of the room for improvement in their work, and such improvement had in fact been set as the Department's paramount goal. He would now try to answer the questions raised in the Committee and would of course be willing to give further information in the informal consultations.

101. The representative of Guyana had asked about the implementation of the provisions of resolutions 52/214 B and 53/208 D to the effect that reports should include a summary of their content, consolidated conclusions, recommendations and other proposed actions, and relevant background information, and that conclusions and recommendations should appear in bold print. Other departments were not yet fully complying with those requirements, sometimes for valid reasons. Some documents could not be summarized: for example, short action-oriented reports or documents containing replies from Member States. In some cases the editors were given no indication of what should appear in bold print. The editors constantly sought to ensure compliance with the resolutions, but it had not so far been thought wise to delay the issue of a document pending reformatting. That option might have to be taken up. Furthermore, some bodies still maintained that their reports could not be brought into line with the prescribed format.

102. Many delegations had asked about the proposed footnote giving the reasons for the late submission of a document. The Department was developing a set of such footnotes which would clearly identify the causes of the delay.

103. The representatives of Guyana and the Syrian Arab Republic had asked about the use of the official languages on the United Nations web sites. Early in November the Committee on Information would be considering proposals from the Department of Public Information on that matter with a view to producing specific recommendations.

104. The representative of the Syrian Arab Republic had also asked about the languages of the documentation for the forthcoming meeting of the Group of Experts on Geographical Names. Any parliamentary documents submitted for the meeting would be processed in the six official languages. Again in response to the representative of the Syrian Arab Republic, he could confirm that the *Repertoire of the Practice of the Security Council* was published in English and French only. That arrangement was confirmed in document A/54/363.

105. On the question about examinations for Arabic interpreters put by the representative of Morocco, he would point out that the Department had held an examination in 1998 and now had on its roster sufficient numbers of interpreters working from Arabic into French, but more interpreters working from Arabic into English were needed. That was why the forthcoming examination had been restricted to that category. He could perhaps give the representative of Morocco additional background information in the informal consultations.

The meeting rose at 6.15 p.m.